

WESTERN MARYLAND VOTE SET FOR NOV. 17

Stockholders Will Pass on Plans for Financial Re-adjustment.

TO CUT BONDED DEBT

New Company Will Acquire All Terminal Facilities in Baltimore.

Plans for the financial readjustment of the Western Maryland Railway will be submitted to stockholders for approval at a meeting on November 17. The proposals include a new company by consolidating the present Western Maryland Railway Company with the constituent companies, a new mortgage for \$150,000,000 of first and refunding bonds, new issues of first and second preferred stock totaling \$25,000,000 and new common stock of \$5,000,000. Participants in the readjustment will also receive proportionate amounts of stock in two coal and land companies totaling \$1,400,000.

By this financing Western Maryland Railway will relieve itself of the burden of the \$14,000,000 of notes in default since 1915 and on which \$2,000,000 in interest has accrued, and also loans aggregating \$3,250,000. Its bonded indebtedness will be reduced from \$11,122,000 to \$25,777,000, or on a per mile basis, from \$112,324 to \$87,133, while interest charges will be reduced from \$1,198,088 annually to \$2,300,788 and, on a per mile basis, from \$12,550 to \$23,621.

The new railway company is to acquire all of the terminal facilities in Baltimore, some of which, including the grain elevator, are owned by the Terminal Company, and the warehouse and storage properties now owned by the Baltimore Freight Warehouse Company and the Hazard Warehouse Company. The new company will assume all of the present bonded indebtedness and equipment trust obligations of the constituent companies.

The securities to be created include: First and refunding mortgage bonds of \$150,000,000, subject to the first mortgage of the old Western Maryland and its underlying mortgages and those of the constituent companies, amounting in all to \$50,177,000. The new bonds are to bear interest at a rate not exceeding 6 percent, and they will be appropriated in the following manner: \$7,500,000 at 5 percent, to be reserved of which \$5,000,000 is to be issued initially to liquidate loans of \$3,250,000 and to provide working capital; \$50,000,000 to be reserved for the funding of the present first mortgage bonds and the underlying and dividend bonds; \$25,000,000 to be reserved and issued to provide additional terminals and terminal facilities; \$47,500,000 to be reserved for new equipment, permanent betterments and improvements and the construction or acquisition of additional mileage.

Other securities to be created are new first preferred stock of \$18,000,000, entitled to cumulative interest at 7 percent, beginning July 1, 1918; \$10,000,000 second preferred stock entitled to 4 percent, non-cumulative interest, and \$50,000,000 common stock.

Present holders of the old preferred and common stocks will be asked to exchange the same, share for share, for second preferred or common stock, and will receive an opportunity to subscribe at par, in cash, for 30 percent of new first preferred stock. Against such subscription they will receive also proportionate amounts of stock of the Davis Coal and Coke Company and the Monongahela Coal Lands Company, amounting to \$22 and \$25 a share respectively.

This subscription will be underwritten by a syndicate which will take such of the securities as may not be purchased by stockholders on the same terms offered to the latter.

Carl R. Gray, president of the Western Maryland Railway, in commenting on this plan, states in part:

"Through the creation of \$18,000,000 of enforceable debt, threatening the integrity of the property, not only is the charge capitalization of the company reduced to an amount believed to be safely within its minimum earning results during adverse periods, but there is also preserved a necessary capacity to take in London up in connection with the future expansion and development of the system."

FIGHT TO KEEP N. Y. TERMINALS

Merchants Association Will Plan Campaign This Afternoon.

A meeting will be held at the Merchants Association, 233 Broadway, at 2 o'clock this afternoon, at which measures will be agreed on by representatives of several local organizations to resist the attempt of New Jersey cities lying along the Hudson to shift the terminals of the trunk line railroads to their side of the river.

Freight rates to this city and the New Jersey cities have been the same, the Interstate Commerce Commission recognizing that New York was the terminal of these railroads. The Merchants Association, the Chamber of Commerce, the State and the city are uniting to fight a decision to this effect, which would raise freight rates to New York. The Interstate Commerce Commission will hold a hearing on the matter on November 13, in the rooms of the Merchants Association.

U. S. TO HIRE 12 TRADE AGENTS.

Experts Will Go to Europe to Study Conditions There.

Plans for extending the work of the division of commercial agents of the United States Department of Commerce were announced here yesterday by Elliot Grinnell Sears, chief of the division. Twelve new agents will be appointed. Examinations will be held next month and six may be appointed immediately, the balance within a year. There are eighteen special agents now on duty.

The work consists of going abroad to study trade conditions in a given industry, advising possible foreign purchasers on conditions here and sending back reports to guide the trade.

Among the subjects experts on which will be appointed soon are jewelry and diamonds, machines and engines for the Brazil trade and furniture and groceries for the Latin American field. The positions are under civil service and the pay is up to \$10 a day, with expenses.

TO DEMAND SEVEN HOUR DAY.

400,000 United Mine Workers Plan to Act at Conference.

John P. White, president of the United Mine Workers of America, announced yesterday that at coming wage conference the 400,000 members of the organization will demand a seven hour day.

This, he said, is necessary to preserve the welfare of the miners because of the increasing use of machinery.

OIL CITY, Pa. Oct. 29.—Credit balance, \$2,400. Rums, 111,806 barrels; average, \$6.432. Shipments, 45,001 barrels; average, \$2.661.

WRIGHT AEROPLANE PATENTS ARE O. K. D.

Submarine Boat Corporation Will Work in Harmony With Airship Company.

BIG PLANT FOR MOTORS

Extensive Development of New Modes of Travelling Is Expected.

The Submarine Boat Corporation has announced that it has entered into a working agreement with the Wright-Martin Aircraft Corporation, which was recently organized through a consolidation of the Wright Aeroplane Company, the Glenn L. Martin Aeroplane Company and the Simplex Automobile Company. Under this agreement the Submarine Boat Corporation will recognize the validity of the Wright aeroplane patents and will work in close harmony with the Wright-Martin company in the development of aeroplane business throughout the world.

"The Submarine Boat Corporation," says the announcement, "has extensive foreign connections with an efficient organization in nearly every country of importance in the world, and the new working agreement will permit the Wright corporation therefore to secure a commanding position both in this country and abroad in the manufacture and sale of aeroplanes."

"The boat corporation will manufacture aeroplanes under the license from the Wright-Martin corporation, will build its own planes, but purchase its motors from the Wright corporation, which has expended nearly \$2,000,000 at its plants at New Brunswick, N. J., to construct and equip plants for the manufacture of the Hispano-Suiza aeroplane motor. This motor is being manufactured in this country under license from the French Government."

"The recognition of the validity of the Wright patents by the Submarine Boat Corporation, with its wide organization and determination to go into this business, should prove as important to the Wright corporation as was the establishment of the validity of the Holland patents to the Submarine Boat Corporation."

"With these two corporations working in close harmony there is certain to be a rapid development of the aeroplane industry in this country, for Europe can be counted upon to take any output of aeroplanes and motors from this country not required for our own purposes. About \$18,000,000 has been appropriated by our Government for aeroplanes and aeroplane equipment for both branches of the service."

Investment Questions and Answers

This column appears three times each week. Readers may ask as many questions as they like about investment subjects, but please do not ask about a half dozen companies in one letter, as it adds unnecessarily to the clerical work of this office. Do not send money. This service is free. Be sure to give your address as well as your name, because most inquiries are answered by mail. All correspondence should be addressed to the Financial Editor, The Sun, 60 Broad street, New York City.

American Ship Building Company.
P. E. M., Philadelphia.—The American Ship Building Company, I understand, is in a position to build a ship for you. What is the latest official statement as to the number of ships built? How does the number compare with former records?

The company's report for the fiscal year ended June 30 last showed that four vessels were built, with total carrying capacity of 37,000 tons. In the 1914 fiscal year, or the one immediately preceding, the company had built six vessels, with a total carrying capacity of 52,100 tons. In the 1913 fiscal year fourteen vessels were built, with total carrying capacity of 59,500 tons. For many years the company confined its operations to the construction and repairing of lake vessels and was not well prepared to undertake the building of ships intended for salt water service. When the demand for this type appeared fairly stable the working forces were reorganized. At last report there were thirty-three ships, with a total carrying capacity of about 174,000 tons, under contract for delivery during the current fiscal year, and with a total carrying capacity of about 21,000 tons, were under contract for delivery during the last half of the calendar year 1917.

St. Paul and Kansas City Short Line.
E. C. F., St. Paul.—Don't you think the St. Paul and Kansas City Short Line first mortgage 4 1/2 per cent. bonds of 1940 are secure? They were guaranteed unconditionally by the Chicago, Rock Island and Pacific Railway, and I fail to see why there should be any question about it.

Foreclosure of the first and refunding mortgage of the Chicago, Rock Island and Pacific Railway might impair the guarantee. The "chamber of commerce" of the State and the city are uniting to fight a decision to this effect, which would raise freight rates to New York. The Interstate Commerce Commission will hold a hearing on the matter on November 13, in the rooms of the Merchants Association.

United Kingdom Notes.

R. B. H., New Brunswick, N. J.—I am in the dark as to the significance of the statement that the new United Kingdom bonds are payable in United States gold coin at the rate of \$1.85 to the pound. This is about par, as I understand it, and the present exchange rate is much lower. Is there a chance of winning or losing on this point?

You need not be disturbed by the exchange provision of the new United Kingdom notes. Principal and interest are payable in United States gold coin at the office of J. P. Morgan & Co., or at the option of the holder, in London in sterling at the designated rate. In all probability you would wish to be paid in this country, but if you wished at the time to transfer money to London you could take advantage of the exchange rate then prevailing in favor or against this country. In other words, if it appeared profitable by reason of the exchange rate to receive payment on these notes in London you could do so. On the other hand if you found you could transfer your money to London more economically by buying an exchange bill you could receive your payment on the notes in New York.

Moline Plow Company.
T. M. D., Montclair, N. J.—Can you tell me whether it is true that the Moline Plow Company is building tractors in large quantities in New York?

The company has bought patents, patents, etc., for a tractor, and is building a factory in Moline for manufacture. The present type of the tractor has proved highly successful and that orders are being received faster than they can be filled.

Swift & Co. "Rights."

P. A. W., Jersey City.—Please advise what the quotation on the Chicago and Boston exchanges of "Swift Rights" at from \$13 to \$15 means. At the last dividend meeting it was voted to give each stockholder to purchase one new share at \$14. Is this what is being quoted for the present holdings? Some of us hold that for three shares held we have one share at \$14. Is this being quoted at from \$13 to \$15, while others contend that each individual share has a right, so

ORDERS FOR SHELL STEEL FILL MILLS

Italy, France, Britain and Russia Clamor Here for Material.

PRICES GO UP AGAIN

Domestic Consumers Buy Heavily of Foundry Iron at Higher Rates.

Two factors among a host of interesting and important features were prominent last week in the iron and steel industry, the extraordinarily heavy demand for shell steel from the Allies and the excessive buying of pig iron in the domestic market.

Purchases of shell steel, it is expected, will be much heavier for shipment in the second half than they were for the first half of 1917. Mill reservations covering in excess of 600,000 tons already made for shipment after June at test this fact. Sales may be limited only by the capacity that the mills are willing to set aside for this purpose.

Italy alone wants 100,000 to 300,000 tons. French requirements are greater and British and Russian needs are only slightly smaller. The options virtually given in the last few days will be followed by official contracts in the next week or ten days and prices will average one cent a pound higher than on the last sale of 500,000 tons.

Domestic consumers of foundry pig iron in all sections are buying with avidity malleable and gray metal for shipment over the second as well as the first half of 1917. Contracts placed during the week, amounting to 500,000 tons, including steel making iron, have carried prices upward \$3 to \$5 a ton.

The greatest activity has been along the lakes at Chicago, Cleveland and Buffalo, but Eastern consumers have bought heavily of Virginia iron. In Alabama the recent sharp rise in prices has checked buying. Foreign consumers have large inquiries here have bought only little, apparently failing to understand or to appreciate the cause of the great and rapid advance in domestic prices.

Car and locomotive builders are buying more heavily of steel bars, plates and shapes to cover the construction of 20,000 cars and 500 locomotives, contracts for which were recently placed. Inquiries for 20,000 more cars and for several hundred locomotives are still in the market.

Official prices of bars and shapes are up \$2 a ton; plates \$5 a ton, and sheets \$5 to \$10 a ton, the latter advance being for galvanized. An advance of pipe is imminent and another rise in wire is expected.

Renewed activity in fabricated steel work is evident in the larger orders coming out for railroad bridges and for manufacturing plant extensions, but steel building work is less active in the Eastern territory.

NEW YORK CITY BONDS.

Form, Rate and Maturity. Bid. Asked. Yield.

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United Kingdom of Great Britain and Ireland

5 1/2% SECURED LOAN GOLD NOTES

Dated November 1, 1916

\$150,000,000 Three-Year Notes due November 1, 1919

\$150,000,000 Five-Year Notes due November 1, 1921

DIRECT OBLIGATIONS OF THE GOVERNMENT

Principal and interest payable in United States gold coin, at the office of J. P. Morgan & Co., or, at the option of the holder, in London in sterling at the fixed rate of \$4.86 1/2 to the pound.

Principal and interest payable without deduction for any British taxes, present or future.

Coupon Notes of \$1,000, \$5,000 and \$10,000

Redeemable at the option of the Government, in whole or in part, on thirty (30) days notice, as follows:

From November 1, 1916 to October 31, 1917 inclusive	Three-Year Notes	Five-Year Notes
" " 1, 1917 " 31, 1918 "	103 and interest	105 and interest
" " 1, 1918 " 31, 1919 "	102 and interest	104 and interest
" " 1, 1919 " 31, 1920 "	101 and interest	103 and interest
" " 1, 1920 " 31, 1921 "	102 and interest	102 and interest
" " 1, 1921 " 31, 1922 "	101 and interest	101 and interest

To be secured by pledge with Guaranty Trust Company of New York, under a pledge agreement executed by the Government, of securities approved by J. P. Morgan & Co., of an aggregate value of not less than \$300,000,000, calculated on the basis of then prevailing market prices, sterling securities being valued in dollars at the prevailing rate of exchange, viz.:

Group I. Stocks, bonds and/or other securities of American corporations (including the Canadian Pacific Railway Company) and bonds and/or other obligations (either as maker or guarantor) of the Government of the Dominion of Canada, the Colony of Newfoundland, and/or provinces of the Dominion of Canada, and/or Canadian municipalities: Aggregate value not less than \$180,000,000

(Of the foregoing there will be somewhat over \$100,000,000 in aggregate value of securities of corporations of the United States and of the Canadian Pacific Railway Company.)

Group II. Bonds and/or other obligations (either as maker or guarantor) of any or all of the several following Governments, to wit: Commonwealth of Australia, Union of South Africa, New Zealand, Argentina, Chile, Cuba, Japan, Egypt, and India, and/or securities of the Dominion of India, and/or other obligations of the Dominion of India, and/or British railway companies: Aggregate value not less than \$180,000,000

Total \$360,000,000

Pending the arrival and deposit of definitive securities as above, the Government is to deposit temporarily with the Trust Company either approved New York Stock Exchange collateral or cash.

If the pledged securities depreciate in value, the Government is to deposit additional securities to maintain the 20% margin.

The Government is to reserve the right from time to time to sell for cash any of the pledged securities, the proceeds of sale to be applied to the retirement of notes by purchase or by redemption by lot.

Upon the retirement of the three-year notes, a proportionate amount of the collateral may be withdrawn approximately ratably from each class.

The Government also from time to time may make substitutions of securities, but such substitutions are not to vary the then relative amounts in value of the groups. All substitutions, withdrawals and valuations of securities are to be approved by J. P. Morgan & Co.

This offering is made subject to the approval by our Counsel of necessary formalities.

WE OFFER THE ABOVE NOTES FOR SUBSCRIPTION AS FOLLOWS:

The Three-Year Notes at 99 1/4 and interest, yielding over 5.75 per cent.

The Five-Year Notes at 98 1/2 and interest, yielding about 5.85 per cent.

Subscription books will be opened at the office of J. P. Morgan & Co., at 10 o'clock, A.M., October 31, 1916, and will be closed at 10 o'clock, A.M., November 8, 1916, or earlier, in their discretion.

THE RIGHT IS RESERVED TO REJECT ANY AND ALL APPLICATIONS, AND ALSO, IN ANY EVENT, TO AWARD A SMALLER AMOUNT THAN APPLIED FOR.

AMOUNTS DUE ON ALLOTMENTS WILL BE PAYABLE AT THE OFFICE OF J. P. MORGAN & CO., IN NEW YORK FUNDS, TO THEIR ORDER, AND THE DATE OF PAYMENT WILL BE GIVEN IN THE NOTICES OF ALLOTMENT.

Temporary certificates will be delivered pending the engraving of the definitive notes.

J. P. MORGAN & CO.

FIRST NATIONAL BANK

NEW YORK CITY

BROWN BROTHERS & CO.

KIDDER, PEABODY & CO.

KISSEL, KINNICUTT & CO.

BANKERS TRUST COMPANY

CENTRAL TRUST COMPANY OF ILLINOIS

CONTINENTAL AND COMMERCIAL TRUST AND SAVINGS BANK, Chicago

MARINE NATIONAL BANK

NEW YORK, October 30, 1916.

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